

104A Finchley Road
London
NW3 5EY

EMPLOYMENT & TRAINING STRATEGY

For Sectorsure No 10 Limited

August 2022

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1.0 Introduction

This Strategy has been prepared by tp bennett LLP in support of an application for planning permission submitted to Camden Borough Council (CBC) for the following development:

Demolition of existing petrol filling station and associated convenience store (sui generis), and erection of a six-storey building comprising ground floor commercial space (Class E) and flexible commercial/educational space (Class E/F1), and 31 x residential apartments above

The application site is the petrol filling station at 104a Finchley Road, NW3 5EY ('the site') and the application is submitted by Sectorsure No 10 Limited ('the Applicant').

This document has been prepared to fulfil the validation requirement of CBC for applications for major developments. Although arrangements for tendering and constructing the development and future use and letting of any commercial floorspace have yet to be finalised, the strategy will establish a framework to achieve the following:

- Support the local labour economy to meet future recruitment needs;
- Ensure the impact from procurement activities benefit the local economy;
- Where appropriate, deliver employment, training, and apprenticeship opportunities for key demographic groups within the CBC area;
- Contribute towards tackling worklessness and local unemployment; and,
- Develop links between construction activities and the education sector at all levels.

Development is limited in scale and mix of land uses, so opportunities to generate local employment and skills benefits are relatively limited in scope. It is anticipated that the proposed development would nevertheless generate local socio-economic benefits and make a proportionate and meaningful contribution to addressing CBC's priorities.

These factors should be taken into account in the determination of the planning application for the proposed development and it is anticipated that the authority will secure these benefits through an Employment & Skills Plan, agreed through a Section 106 agreement attached to planning permission.

1.1 Project Overview

The development proposes ground floor commercial use with residential apartments on the upper floors accessed from College Crescent. The eastern part of the ground floor is proposed to be either additional accommodation for the neighbouring school or a second commercial unit.

The detailed design of the building is described in the submitted Design and Access Statement and scheme drawings.

The table below summarises the proposed accommodation:

	Floor space m² GEA	Notes				
Existing						
Petrol Filling Station/ ancillary retail store	140	GIA				
Proposed						
Commercial unit	110	Ground floor (Finchley Road)				
School/commercial unit	349	Ground floor (Finchley Road)				
Residential apartments	3,118	1F-5F (College Crescent)				
Total						
Residential mix						
		1F	2F	3F	4F	5F
1B	(39%) 12	3	2	2	2	3
2B*	(48%) 15	1	4	4	4	2
3B	(13%) 4	1	1	1	1	0
Total	31	5	7	7	7	5

*4 No of these units are wheelchair adaptable

1.2 Project Phasing

Subject to determination of the planning application within an anticipated 13 weeks plus allowance for negotiating and signing the anticipated legal agreement, construction is anticipated to commence on site in 2023 and involve an 18-month programme. As an urban development project, key elements of the construction programme are likely to comprise the following, each of which represents a specific economic activity:

- Demolition of the existing petrol filling station building and removal of all structures including underground fuel storage facilities
- Construction of the base building
- Interior fit out and decoration of residential component
- Interior fit out and decoration of education/commercial components (anticipated to be by eventual tenants)

2.0 Method Statement

CBC guidance seeks strategies that highlight opportunities to deliver employment and training opportunities for local people and demonstrate how these could be achieved both during and after construction. Such benefits will be secured by CBC through legal agreement and targeted Employment & Training Plans, the content of which are normally agreed through discussion with King's Cross Construction Skills Centre, King's Cross Recruit, and Camden Apprenticeships brokerage services.

This strategy therefore, sets out a framework for delivering on those agreements (in recognition of the very early stage at which this project is at). This includes:

- Construction apprenticeships
- Local employment during the construction phase
- Construction work experience opportunities
- End use apprenticeships
- Local procurement opportunities

The implementation of an Employment & Training Plan will begin before the commencement of construction works, estimated to start in 2023. The Applicant will work with their sub-contractors, local employment agencies, CBC and jobs centres to advertise job opportunities to local residents. Additionally, the Applicant will, where appropriate, ensure that sub-contractors offer exclusivity periods giving local residents first opportunity to apply for advertised roles and will encourage the consideration of all applications from local residents who meet the essential requirements of the role.

The Applicant will also work closely with sub-contractors to identify opportunities for apprenticeship positions and ensure these are advertised locally, with consideration to be given to local services such as King's Cross Construction Skills Centre, King's Cross Recruit, and Camden Apprenticeships brokerage services.

Working in partnership with local employment agencies and jobs centres will enable sector specific job brokerage and business support to ensure local employment and skills development opportunities arise from the construction activity at the site.

2.1 Employment

Construction

The Applicant has assessed the total construction cost (to base building practical completion) as £11m at 2022 prices (and as set out in the viability report by James R Brown & Co (June 2022)).

The analysis of employment impacts is focused on quantifying local employment opportunities in the context of the existing labour market. Accordingly, Gross construction employment has been estimated in standard fashion by dividing the estimated total capital investment by the turnover required to support one construction worker in the London labour market, resulting in an estimate of the total number of full-time equivalent employment positions supported by the project for the duration of the construction programme.

Operation

To understand the longer-term operational employment impacts of the project, an estimate of the commercial jobs supported on site has been calculated using the Homes and Communities Agency Employment Density Guide (3rd Edition) November 2015. To derive gross operational employment numbers, Employment Density Guide⁴ figures were applied to the commercial floorspace delivered on site to estimate the number of jobs which could be supported within the premises at full capacity.

Additionality

To assess the scale of additional jobs likely to be generated or supported by the proposed development, additionality factors based on appropriate economic appraisal guidance and professional judgment have been applied to gross employment figures:

- **Deadweight:** Deadweight is a measure of the economic activity which is expected to occur in absence of the proposed project going forward - **Weighting:** 10% (construction) 25% (operational)
- **Leakage:** Leakage is a measure of the level of the economic activity which is expected to be taken up by people living outside of the local area, i.e. the proportion of jobs which are not filled by local residents – **Weighting:** 45% (construction) 10% (operational)
- **Displacement:** Displacement is a measure of the amount of economic activity attributable to the proposed project which results from a corresponding decrease in economic activity elsewhere – **Weighting:** 5% (construction) 10% (operational)
- **Multiplier:** A type II economic multiplier is a scalar which is applied to account for the direct impacts of the investment in the project, as well as capturing the indirect and induced supply chain effects such as increased spending in the local economy resulting from the expenditure of the workers in the local area and stimulated spending down the supply chain – **Multiplier:** 1.39 (construction) 1.81 (operational)

Multiplier values are based on the Office for National Statistics estimate of employment multiplier value for the construction industry, consistent with UK National Accounts Blue Book and UK Balance of Payments Pink Book data, adjusted for local leakage factors.

2.2 Opportunities for Local Socio-economic Benefits

Opportunities for local socio-economic benefits have been considered in a number of dimensions over short, medium, and long-term timeframes. Due to the scale and nature of the proposed development, the scope of opportunities will however be limited.

In the short term, construction employment opportunities will deliver socio-economic benefits for the borough.

In the medium and long-term, commercial and/or educational employment opportunities will result in socio-economic benefits for residents of the borough by providing new permanent jobs in the labour market.

In the medium and long-term, the replacement of the petrol filling station will enhance the local townscape and better integrate development with the surrounding built environment contributing to enhanced placemaking, safeguarding and protecting the role of Finchley Road as an employment centre.

3.0 Employment Impacts

Construction Employment

The proposed development entails the remodelling of existing buildings to deliver new residences and commercial and/or educational space. A preliminary indication of cost provided on behalf of The Applicant of £11 million represents the most up-to-date estimate for total scheme cost as of June 2022. Data from the Office for National Statistics (ONS) provides estimates for the level of turnover within the construction sector which is required to support a single worker. Within London's construction sector, some £294,000 of turnover is required to support a single full-time equivalent job.

At these levels, it is projected that the capital expenditure required to deliver the project will support up to 37 full-time equivalent gross construction jobs for the duration of the construction programme. This figure reflects on-site employment only and does not include wider supply chain impacts. Taking the additionality impacts into consideration results in the proposed development supporting an estimated 28 local (gross) full-time equivalent construction jobs for the duration of the construction programme. Assuming an 18-month construction programme, this level of local net additional employment would generate an estimated £3.63m in net present value GVA for the local economy.

Operational Employment

The commercial floorspace delivered with the project has potential to total 365 sqm (NIA), is assessed to be have the capacity to support up to 18 full-time equivalent gross employment positions if dedicated entirely to a commercial use. Applying the additionality assumptions to the gross operational employment, it is estimated that the proposed project will support 15 local full-time equivalent jobs with full utilisation of the space. This level of local net additional employment would generate an estimated £3.27m in net present value GVA over a 10-year period. It should be noted that this best case scenario only represents a full commercial use of the ground floor. An educational use of part of the space would likely yield no additional employment in the occupied space.

It is considered to be likely that the majority of employment opportunities associated with this floorspace will be taken up by residents of the borough. As commercial space will focus on local provision of goods and services, it is not expected that any specialised skills will be required for these positions and therefore it is anticipated that very few, if any, jobs will be taken up by people living outside of Camden.

4.0 Added Value

Local Procurement

The Applicant will work in line with CBC's planning guidance to ensure responsible procurement throughout the construction phase. The Applicant will undertake regular review of progress against objectives and coordinate with sub-contractors who are non-compliant.

Obligations to the supply chain will be established in sub-contract documents which will be underpinned by a commitment to be "SME friendly" in procurement by giving consideration to:

- Use of appropriate payment terms
- Establish programme level 'Good Practice' standards, i.e. paying suppliers on time, cascading good practice, etc
- Ensuring the complexity of the procurement process is proportionate to the size and scope of the project
- Establish feedback arrangements to unsuccessful SME's
- The Applicant will encourage their supply chain to use SME's where possible to ensure consistent employment and the realisation of benefits with the local economy.

Reporting & Monitoring

The Applicant will develop key socio-economic performance indicators in line with Camden Borough Council's Section 106 (s106) reporting and monitoring requirements. These indicators will be monitored and be reported to CBC in line with the Construction Sustainability Requirements for the proposed development, with the overall performance against an Employment & Skills Plan (ESP) which is anticipated to be agreed under the s106. We anticipate that the evaluation process will include:

- A review of the contractor's achievements against the goals outlined in an ESP
- Their commitment to achieving the goals
- Any additional value-added contribution that the contractor was able to deliver as an enhancement to an ESP

Post Completion

The marketing strategy for the commercial space and lease agreements for the tenants of any commercial space will address any obligations set out in a S106 with relation to end user employment. Any proposed or required obligations will be discussed with CBC's Economic Development Local Procurement Team prior to completion to ensure consistency with the Council's economic and employment policies.

5.0 Conclusions

This strategy responds to Camden Borough Council's guidance within Camden's Local Area Requirements for Planning Applications (2018).

It establishes a framework for achieving strategic economic objectives including:

- Supporting the local economy to meet future recruitment needs
- Ensuring the impacts from procurement activities benefit the local economy
- Delivering employment, training, and apprenticeship opportunities for key demographic groups within the CBC area, where appropriate
- Contributing towards tackling worklessness and local unemployment
- Developing links between construction activities and the education sector at all levels.

It forms the basis of the terms of a legal agreement with CBC, should the authority resolve to grant planning permission for the proposed development.

The estimated £11 million investment required to deliver the proposed development could support up to 37 temporary construction jobs during the construction phase. The Applicant will work closely with sub-contractors and project partners to identify opportunities for apprenticeship positions and ensure these are advertised locally, with consideration to be given to local employment services and applicants wherever possible and practical.

The retail floorspace delivered as part of the proposed development could support up to 18 operational retail/commercial jobs at full capacity. The marketing strategy and lease agreements for the retail units will address any obligations related to S106 regulations. In order to ensure consistency with CBC's economic development and employment policies, any proposed or required S106 obligations will be discussed with CBC's Economic Development Local Procurement Team.

In respect of Local Employment, this strategy undertakes to:

- engage with the Kings Cross Construction Centre during the Construction Phase to ensure that all employment opportunities are notified to the Construction Centre and to work towards meeting the benchmarks set by the Construction Industry Training Board.
- advertise all opportunities with the Kings Cross Construction Centre.
- provide labour programmes for the construction phase.
- provide labour returns to the construction centre.

In respect of Apprenticeship Opportunities, this strategy undertakes to:

- identify construction apprentice opportunities following engagement with the Kings Cross Construction Centre and/or The Council's Economic Development Team.
- agree details of contract length and wages as part of the S106 Employment and Skills Plan (or payment in lieu of actual provision) to include Construction Apprenticeship Contributions.
- engage with the Kings Cross Construction Centre in respect of local training and / or work experience placements for Camden residents during the construction phase.

In respect of Local Procurement / Supply Chain /Tendering, this strategy undertakes to:

- engage with the Council's Economic Development Local Procurement Team to consider steps to apply the Council's Local Procurement Code.
- consider how to proposed tender opportunities for local suppliers and providers.

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